

AMENDED IN ASSEMBLY APRIL 16, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 2755

Introduced by Assembly Member Hayashi

February 22, 2008

An act to add Section 19011.5 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2755, as amended, Hayashi. Personal taxes: payments: electronic remittance.

The existing Corporation Tax Law requires taxpayers whose tax liability exceeds specified amounts to remit payment to the Franchise Tax Board by electronic funds transfers if any of 3 specified conditions exists.

This bill would require personal income taxpayers with estimated tax or extension payments in excess of \$20,000 or total tax liability in excess of \$80,000 to remit payments to the Franchise Tax Board by electronic funds transfers, subject to specified requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19011.5 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 19011.5. (a) All payments required *by an individual* under
- 4 this part, regardless of the taxable year to which the payments
- 5 apply, made on or after January 1, 2009, shall be electronically

1 remitted to the Franchise Tax Board in the form and manner
2 prescribed by the Franchise Tax Board, once any of the following
3 conditions are met *by an individual*:

4 (1) ~~With respect to any individual, any~~ Any installment payment
5 of estimated tax made pursuant to this part in excess of twenty
6 thousand dollars (\$20,000) or any payment made pursuant to
7 Section 18567 with regard to an extension of time to file *that*
8 exceeds twenty thousand dollars (\$20,000) for any taxable year
9 beginning on or after January 1, 2009.

10 (2) ~~With respect to any individual, the~~ The total tax liability
11 exceeds eighty thousand dollars (\$80,000) in any taxable year
12 beginning on or after January 1, 2009. For purposes of this section,
13 total tax liability shall be the total tax liability as shown on the
14 original return, after any adjustment made pursuant to Section
15 19051.

16 (b) A taxpayer required to electronically remit payment to the
17 Franchise Tax Board pursuant to this section may elect to
18 discontinue making payments *electronically* where the threshold
19 requirements set forth in paragraphs (1) and (2) of subdivision (a)
20 were not met for the preceding taxable year. The election shall be
21 made in a form and manner prescribed by the Franchise Tax Board.

22 (c) Any taxpayer required to electronically remit payment
23 pursuant to this section who makes payment by other means shall
24 pay a penalty of 10 percent of the amount paid, unless it is shown
25 that the failure to make payment as required was for reasonable
26 cause and was not the result of willful neglect.

27 (d) Any taxpayer required to electronically remit payments
28 pursuant to this section may request a *written* waiver of those
29 requirements from the Franchise Tax Board. The Franchise Tax
30 Board may grant a waiver only if it determines that the particular
31 amounts paid in excess of the threshold amounts established in
32 this section were not representative of the taxpayer's tax liability.
33 If the Franchise Tax Board grants a waiver to a taxpayer,
34 subsequent electronic remittances shall be required only on those
35 terms set forth in the *written* waiver.

36 (e) For purposes of this section, Chapter 3.5 (commencing with
37 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
38 Code does not apply to any standard, criterion, procedure,
39 determination, rule, notice, or guideline established or issued by
40 the Franchise Tax Board pursuant to subdivision (a).

1 (f) For purposes of this section, “electronically remit” means
2 to send payment through use of any of the electronic payment
3 applications provided by the Franchise Tax Board.
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6 **CORRECTIONS:**

7 **Text—Page 2.**

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